

HOUSE BILL No. 1465

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-39.

Synopsis: Sales tax moratorium. Provides a sales tax exemption for clothing priced less than \$50 and purchased after August 15 and before the first Tuesday after Labor Day. Provides that the sales tax for clothing priced at least \$50 and less than \$500 is computed after subtracting \$50 from the purchase price. Limits a customer to \$500 of exempt purchases per visit to a particular retail merchant's location.

Effective: July 1, 1999.

Crawford

January 19, 1999, read first time and referred to Committee on Ways and Means.



C
o
p
y

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1465

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1999]: **Sec. 39. (a) This section applies to transactions occurring**
4 **after August 15 and before the first Tuesday after Labor Day.**

5 **(b) As used in this section, "clothing" means a garment intended**
6 **to be worn on the human body, including footwear. The term does**
7 **not include the following:**

8 **(1) A watch.**

9 **(2) Jewelry.**

10 **(3) A handbag.**

11 **(4) An umbrella.**

12 **(5) A scarf.**

13 **(6) A tie.**

14 **(7) A headband.**

15 **(8) A belt buckle.**

16 **(9) A handkerchief.**

17 **(c) Subject to the limitation in subsection (f), sales of clothing**



1 **priced less than fifty dollars (\$50) are exempt from the state gross**
2 **retail tax. The exemption provided under this section applies to**
3 **each article of clothing purchased in the period described in**
4 **subsection (a).**

5 **(d) Subject to the limitation in subsection (f), the amount of**
6 **gross retail tax imposed upon clothing purchased in the period**
7 **described in subsection (a) that is priced:**

8 **(1) at least fifty dollars (\$50); and**

9 **(2) less than five hundred dollars (\$500);**

10 **is computed after subtracting fifty dollars (\$50) from the purchase**
11 **price.**

12 **(e) The amount of gross retail tax imposed upon a purchase of**
13 **clothing priced at least five hundred dollars (\$500) is computed**
14 **under IC 6-2.5-2 without regard to the exemption provided under**
15 **this section.**

16 **(f) A customer is limited to five hundred dollars (\$500) of**
17 **partially or wholly exempt purchases under this section per visit to**
18 **a particular retail merchant's location.**

19 **(g) The department shall adopt rules under IC 4-22-2 to**
20 **implement this section.**

C
O
P
Y

